THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI VILAS MUTTEMWAR): (a) No such study has been commissioned by the Ministry of Power, the Planning Commission, the Ministry of Coal, the Ministry of Petroleum and Natural Gas, or the Ministry of New and Renewable Energy.

(b) and (c) Does not arise in view of above.

(d) Development of new and renewable energy is supported by fiscal and financial incentives depending upon technological application, area of installation and category of beneficiaries. In addition, for developing these technologies project based research and development support is provided to the research and development institutions, universities etc.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Development of Food Processing Industries

312. SHRI S. ANBALAGAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

whether the country still lags behind many countries in food processing and food packaging industries;

if so, the details thereof and the reasons therefor; and

the steps proposed to be taken by Government for the development of food processing industries in the country particularly the processing of Indian food varieties on modern lines?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) India's food processing sector has a huge potential for development. However, its present level of processing is extremely low. For example, the level of processing is 2.2% for fruits and vegetables, 26% for marine, 6% for poultry and 20% for buffalo meat, as against 60-70% in developed countries. India's export of processed food in global trade is only 1.5%.

In order to address the low level of processing and to promote food processing industries to exploit both the domestic and international market potential for processed food products, a Vision Document 2015 on Food Processing Industries for the country as a whole has been finalized by the Ministry of Food Processing Industries (MFPI), which envisages trebling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share in global food trade from 1.5% to 3% by 2015. An integrated strategy for promotion of agribusiness-Vision, Strategy and Action Plan for the Food Processing Sector has also been approved by the Government.

The thrust areas identified for strategic intervention include establishment of Mega Food Parks in identified clusters with appropriate backward and forward linkages, creation of integrated cold chains/value addition and preservation infrastructure, modernization of abattoirs, upgradation of hygiene and quality of street food and food streets, establishment and upgradation of quality control laboratories, restructuring and strengthening of MFPI, rationalizing tax structure, incentivising FDI and private investment in infrastructure,

undertaking capacity building of small and unorganized sector, liberalized wine and beer policy, launching a major promotional campaign for the food processing sector and larger public investment for creation of critical rural infrastructure in food processing sector.

The Ministry has been implementing various other schemes also for promotion and development of food processing industries. Under the Scheme for Technology Upgradation/ Modernization/Establishment of Food Processing Industries, Ministry of Food Processing Industries extends financial assistance to food processing units in the form of grants-in-aid @ 25% of the cost of plant and machinery and technical civil works subjects to a maximum of Rs. 50.00 lakhs in general areas or 33.33% subject to maximum of Rs. 75.00 lakhs in difficult areas such as Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A & N Islands, Lakshadweep and ITDP Areas. In addition, under the Technology Mission for Integrated Development of Horticulture in North Eastern State, Jammu and Kashmir, Himachal Pradesh and Uttarakhand, higher levels of assistance @50% of the eligible components upto Rs. 4.00 crore for setting up and Rs. 1.00 crore for upgradation of fruit and vegetables processing is allowed. The Government of India has also launched the National Horticulture Mission (NHM) for holistic development of Horticulture in the country. Financial assistance in the form of grant-in-aid is also provided for Development of Infrastructure, Human Resource Development, Promotion of Quality Assurance, Laboratories, Codex Standards and R&D and other promotional measures to encourage development of the food processing industries.

Expansion of Food Processing Industries

313. SHRI EKANATH K. THAKUR: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

whether it is a fact that the food processing industries despite being priority sector, has not flourished to its potential for various reasons;

whether it is also a fact that most significant among them are the unfavourable legal regime governing food products and agricultural marketing and the lack of vital infrastructure, notably cold chains; and

if so, the steps Government proposes to take to promote rapid expansion of this sector to avert huge wastage of perishable food?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) Yes, Sir. India with its strong base in agriculture provides a large and varied raw material base for food processing. The total food consumption in India is estimated at Rs. 860,000 crores of which consumption of processed food accounts for Rs. 460,000 crores. Further, with liberalization of global trade regime, India has the opportunity to export more processed food items to international markets. The growth rate of food processing industries during the 9th Plan period has been 7.1%. The average rate of growth during the first four years of the 10th Plan was @13.025% at current prices and @6.75% at 1999-2000 prices. There has been significant growth of food processing units during the last three-four years. During the period 2003-2004 to 2006-2007 growth of Food Processing units in the small scale sector has registered an increase of 21% from 16.5 lakhs to 20 lakh units. Further, FDI in FPI sector has increased from Rs. 177 crores in 2002-03 to Rs. 441 crores in 2006-07.